In 2006, Uganda discovered huge crude oil reserves near Lake Albert, along the border of the Democratic Republic of Congo. Now, global fossil fuel giants plan to invest USD $230 billion over the next decade to develop new extraction projects in Africa. By 2050, that number could reach a staggering $1.4 trillion.

First on the table is the East African Crude Oil Pipeline (EACOP). The proposed line would run from Kabaale, Uganda to the northeastern coast of Tanzania. The project includes plans to drill 130 oil wells in Murchison Falls National Park and to develop oil fields on the shores of Lake Albert. It would also displace about 118,000 people across Uganda and Tanzania, endanger the region's unique ecosystems, and threaten wetlands, wildlife, and fresh water sources that support millions of Africans. If we hope to limit global warming to 1.5 degrees Celsius, we can't develop any new oil and gas fields — in Africa, or anywhere.
RBC invests in TotalEnergies

The Royal Bank of Canada (RBC) has significant investments in TotalEnergies (TTE FP Equity), the French oil company with a 62% stake in EACOP. In early 2022, RBC held over 520,000 shares in TotalEnergies, worth USD $26.1 million and more than USD $10 million in bonds. From January 2016 through December 2020, RBC also provided TotalEnergies with USD $1.45 billion in lending and underwriting.

TotalEnergies is one of the world's world climate offenders, and among the 20 fossil fuel giants responsible for more than one-third of all global carbon emissions. As Eastern Africa faces environmental degradation, widespread community displacement, and climate injustice, RBC watches its holdings rise. This is corporate colonialism in action. To put it in context, from 2016-2019, the world's G20 countries provided $47 billion in public financing for fossil fuels in Africa. That's 3.7 times the amount invested in renewable energy sources.

As the world transitions from fossil fuels, locking in projects like EACOP endangers the African economy. The continent holds 39% of the world's total renewable energy potential; continued oil and gas development undermines Africa's ability to maximize solar and wind resources, while increasing the risk of stranding billions in carbon assets.
Unacceptable emissions and stranded carbon assets

EACOP is incompatible with a safe climate future. Based on the fuel density of the EACOP crude blend, indirect emissions from the project would be at least 34.3 million metric tons of carbon emissions per year. That’s more than the combined annual emissions of both Uganda and Tanzania.

Uganda’s crude oil is naturally viscous and waxy, so it needs to be heated to a minimum of 50 degrees Celsius for transport. The EACOP project would require electric heating along the entire 1443-km route – creating the world’s longest heated pipeline. At peak production the line would carry 216,000 barrels of crude oil per day (10.9 million metric tons per year).

If EACOP is completed, two oil fields in Uganda’s Albertine Graben, in the basin of Lake Albert, will also start commercial production. “The EACOP and Lake Albert oil projects would block the IEA’s net zero pathway before the ink is even dry on their report,” says David Pred, executive director of Inclusive Development International.

Corporate colonialism and climate injustice in East Africa

Behind the EACOP statistics are real people – millions whose lives and livelihoods are endangered by this deeply flawed project. The pipeline would run through the basin of Lake Victoria (Africa’s largest lake), which over 40 million people rely on for fresh water and food production.

Approximately 118,000 individuals in Uganda and Tanzania would also be uprooted and lose their land. Community members have already described a land acquisition process marked by confusion, assessment and valuation shortcomings, delayed compensation, and a lack of transparency. Many farming families have already faced restricted access to their land, including being prevented from growing food and cash crops, for over two years while awaiting compensation. This has led to increased impoverishment and food insecurity, among other cumulative impacts. For Indigenous tribes that depend on agriculture, fishing, and hunting for their physical and cultural ways of life, the pipeline would rupture their ancient connections to nature.

EACOP proponents suggest that the project will energize local economies, while building energy capacity in eastern Africa. However, 83% of the proposed LNG terminal capacity and 77% of the proposed oil and gas pipeline projects in Africa are intended for overseas export, rather than addressing local energy access gaps. In contrast, renewable energy creates 2-5 times more jobs than fossil fuels, per dollar invested. Green investments such as climate adaptation, public transit, conservation agriculture, and energy-efficient building retrofits provide five to 25 times more jobs than fossil fuel extraction and export projects.

“That EACOP will spur economic growth for Tanzania and Uganda is nothing but a facade. From the agreements signed between the governments of Uganda and Tanzania and the oil Barons (TotalEnergies and China National Offshore Oil Company) this pipeline and associated oil projects are a classical example of corporate colonialism where the 2 countries are robbed of the oil as most, if not all, of the profits go to the two companies while the two countries pay the environmental, health and climate price from the project.”

Omar Elmawi
Coordinator of the #StopEACOP coalition.
We all must stop EACOP

EACOP is facing increasing resistance from individuals, NGOs, journalists, shareholders, leaders, and financial institutions. Over a million people have signed a global petition calling on project backers to cancel the project. A growing list of multinational commercial insurance companies and some of the world's largest commercial banks — including Barclays, HSBC, ANZ, Credit Suisse, and more – have ruled out financial support for EACOP. Dutch asset manager ACTIAM also confirmed that it pulled its nearly $4 million in holdings from TotalEnergies and placed the French oil company on an exclusion list, due to concerns about EACOP.

“TotalEnergies used to be our favourite company in the sector,” ACTIAM’s Dennis van der Putten told The Guardian in April. “It’s with pain in our heart that we decided to exclude them. But we had to do it, from our sustainability point of view.”

Now we’re calling on RBC to divest from TotalEnergies.

As one of Canada’s biggest banks, RBC yields enormous power, both at home and around the world. RBC needs to move the billions it invests in destructive fossil fuels projects like EACOP and support a swift, just transition to clean energy projects and infrastructure. The time is now. And the stakes have never been higher.
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